Frequently Asked Questions about ENERGY STAR® Labeling for Cordless Phones and Answering Machines

1) How can wall pack manufacturers meet the ENERGY STAR specification?

   The following four items are low-cost, no-cost ways to meet the specification:

   a) First, determine if the existing product meets the specification. Measure energy consumption in your products using ENERGY STAR's simple testing protocol, which will be available at www.energystar.gov. You may already have qualifying products.
   b) If the product as a whole does not meet the specification, the manufacturer can determine if improving the components would allow the product to meet the specification. For example, if the product has relatively low standby current needs, the manufacturer may be able to meet the specification by improving the quality of the power supply, or changing from a linear supply technology to a switch-mode power supply.
   c) If standby current needs are high, the manufacturer should consider disconnecting circuits that operate unnecessarily.

2) What are the costs of making ENERGY STAR qualified products?

   Cost is a complex issue because of the time, budgetary, and economic considerations. However, products can qualify for ENERGY STAR at no incremental cost while retaining the same features.

   a) When considering time, evaluate design and production cycles. In high-tech industry, manufacturers design and redesign their products several times a year. Only the best designs make it to production.

      i) Companies that already incorporate energy efficiency during standby may have qualifying products by the November/December 2001 shopping season. Retrofitting existing products that have high standby power demand can be expensive and is therefore not recommended.
      ii) If the product as a whole is already close to meeting the specification, the manufacturer can determine if improving key original equipment manufacturer (OEM) components would allow the product to meet the specification. For example, if the product has relatively low standby current needs, the manufacturer may be able to meet the specification by changing from a linear power supply to a switch-mode power supply.
      iii) In 18 to 24 months, all cost-effective innovations can be incorporated into the product.

b) Address your company's budgetary concerns.

   i) Changes in the design budget: Note that incremental costs to the design team are minimal because designers typically identify and incorporate better design elements into their work.
   ii) Changes in procurement: Manufacturers of switch-mode power supplies argue that their products are cheaper than linear power supplies. Integration tends to make products less expensive and more reliable.
   iii) Concerns about marketing and distribution: Additional costs for product differentiation, labeling, and training are a normal part of production and should not be attributed solely to adding efficiency. Note that with smaller and lighter products, some shipping and packaging costs may be lower.

c) Economic factors are difficult to quantify and agree upon.

   i) When a company discusses participating in a labeling program, opportunity costs, stranded costs, and marketing costs are considered. For each cost, a thorough impact analysis may be required. Some manufacturers may focus on these costs because products have a long life (perhaps 10 years), or the company has large, unsold inventories. However, because most products have an 18- to 24-month design cycle, the cost of making products that qualify for the label is minimal. The long-term incremental cost is very small, if not zero.